




## Lesson Plan

### Lesson 10 – Income – Capital Gain or Loss; Form 1040, Line 13

Time Required: 1 hour

Introduction	Objectives	Topics
<p>This lesson is designed to teach volunteer tax preparers how to use Form 1040, Form 8949, and Schedule D, to report capital gains and/or losses on the sale of assets.</p> <p>This lesson includes topics on the sale of stock, mutual funds, and the sale of a personal residence.</p>	<p>Compute the adjusted basis of a stock or other investment property.</p> <p>Determine if an asset's holding period is long-term or short-term.</p> <p>Calculate the taxable gain or deductible loss from the sale of stock.</p> <p>Determine if a home is the taxpayer's main home.</p> <p>Determine if a taxpayer meets the ownership and use tests.</p> <p>Determine when the 5-year ownership/use test period is suspended.</p>	<p></p> <p>Reporting capital gain or loss</p> <ul style="list-style-type: none"><li>• Basis of Stock</li><li>• Holding period</li><li>• Proceeds from the sale</li><li>• Form 8949 and Schedule D</li><li>• Capital loss carryovers</li></ul> <p>Sale of main home</p> <ul style="list-style-type: none"><li>• Main home</li><li>• Ownership and use tests</li><li>• Gain on sale of main home</li><li>• Reporting gain from sale of home</li><li>• 5-year test period suspension</li></ul>

## Key Terms

**Adjusted Basis:** The taxpayer's basis in a home increased or decreased by certain amounts. Increases include additions or improvements to the home such as installing a recreation room or putting on a new roof. In order to be considered an increase, the improvement must have a useful life of more than one year. Repairs that maintain the home in good condition are not considered improvements and should not be added to the basis of the property.

**Amount Realized:** The selling price minus selling expenses: commissions, advertising fees, legal fees, and loan charges paid by the seller, such as points).

**Basis:** The basis in a property is determined by how the taxpayer obtained the property. If a taxpayer bought or built a home, the basis is what it cost the taxpayer to buy or build that home. If the taxpayer inherited the property, the basis is its fair market value on the date of the decedent's death, or on the later alternate valuation date chosen by the representative for the estate. There are special rules for determining the basis of property received from decedents who died in 2010.

**Cancellation of Debt For Principal Residence:** Under the Mortgage Forgiveness Debt Relief Act of 2007, taxpayers may exclude certain debt forgiven or canceled on their principal residence. This exclusion is applicable to the discharge of qualified principal residence indebtedness. If the canceled debt qualifies for exclusion from gross income, the debtor may be required to reduce tax attributes (certain credits, losses, and basis of assets) by the amount excluded.

**Capital Gain Distributions:** Capital gains passed to investors typically by mutual funds (regulated investment companies) and real estate investment trusts (REITs).

**Capital Loss Carryover:** A taxpayer cannot take net losses of more than \$3,000 (\$1,500 for married taxpayers filing separately) in figuring taxable income for any single tax year. The allowable loss is referred to as the deduction limit. Unused losses can be carried over to later years until they are completely used up. The carryover losses are combined with the gains and losses that actually occur in the next year.

**Dividends:** A corporation's distributions to its shareholders from its earnings and profits.

**DRIP Accounts:** DRIP accounts leave cash dividends with the company for the purchase of additional shares. Even though these shares are from the same company, they retain their own individual basis separate from the original purchase. Each new purchased share could have a different basis.

**Excludable Income:** Income that is not included in the taxpayer's gross income and therefore exempt from federal income tax.

**First-time Homebuyer Credit:** The first-time homebuyer credit is a maximum credit of \$8,000 (\$4,000 for Married Filing Separately). This is a refundable credit which means that even if the taxpayer does not owe any tax, the money will be refunded to the taxpayer. There are recapture provisions if the home was sold or rented within a 36-month period.

**Five-year Test Period Suspension:** Taxpayers can choose to have the five-year test period for ownership and use suspended during any period the homeowner (either spouse if married) served on qualified official extended duty as a member of the uniformed services or Foreign Service of the United States, as an employee of the intelligence community, or as an employee or volunteer of the Peace Corps. This means that the taxpayer may be able to meet the two-year use test even if the taxpayer and/or spouse did not actually live in the home during the normal five-year period required of other taxpayers.

**Holding Period:** Form 8949 requires entries for the stock purchase and sale dates. By entering both dates, the software automatically determines the holding period; either short-term or long-term.

**Main Home:** A taxpayer's "main" home is where they live most of the time. It does not have to be a traditional house; for example, it may be a houseboat, mobile home, cooperative apartment, or condominium, but it must have cooking, sleeping, and bathroom facilities.

**Mutual Fund:** A mutual fund is a regulated investment company generally created by "pooling" funds of investors providing the advantage of a diversity of investments and professional management.

**Qualified Principal Residence Indebtedness:** Any debt incurred in acquiring, constructing, or substantially improving a principal residence and which is secured by the principal residence. Qualified principal residence indebtedness also includes any debt secured by the principal residence resulting from the refinancing of debt incurred to acquire, construct, or substantially improve a principal residence but only to the extent the amount of the debt does not exceed the amount of the refinanced debt.

**Sale of Main Home:** Only a gain from the sale of a taxpayer's main home may be excluded from the taxpayer's income; a gain from a sale of a home that is not the taxpayer's main home will generally have to be reported as income.

**Selling Price:** The total amount the taxpayer (seller) received for his or her main home. It includes money, all notes, mortgages, or other debts taken over by the buyer as part of the sale, and the fair market value of any other property or services that the seller received.

**Stock Dividends:** Stock dividends merely increase the taxpayer's number of shares in the company and generally are not taxable.

**Stock Split:** A stock split is a method used by corporations to lower the market price of stock. A two-for-one stock split will decrease the basis per share by half. The original basis of \$200 for 100 shares becomes \$200 for 200 shares.

**Wash Sale:** A wash sale occurs when a taxpayer sells or otherwise disposes of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, the taxpayer buys, acquires, or enters into a contract or option to acquire substantially identical stock or securities.

## Teacher Tips

### Guidelines for Lesson

Guideline	Instructor Notes	Presentation Aids
Lesson background info	<b>Review</b> the online demo of TaxWise on reporting capital gains and losses	<b>TaxWise® Demo:</b> From the Practice Lab, select : <ul style="list-style-type: none"> <li>• 2011 TaxWise IRS training</li> <li>• TaxWise Desktop Preparer with VITA/TCE Training menu or the TaxWise Online Preparer with VITA/TCE Training menu</li> <li>• Click the Income button, then select Part 2.</li> </ul>
Provide details and engage the students	<b>Discuss</b> all tips and cautions in detail.  <b>Ask</b> students to read and/or role-play examples and sample interviews.	<b>Internet:</b>  <a href="#">Link &amp; Learn Taxes (L&amp;LT) Income – Capital Gain or Loss; Form 1040, Line 13</a>

### Topic-specific Tips

Topic Name	Instructor Notes	Presentation Aids
Introduction	<b>Review</b> lesson objectives.  <b>Review</b> list of references.  <b>State</b> the presentation time.  <b>Review</b> the Key Terms in the lesson.  <b>Point out</b> that the specialty course, Cancellation of Debt, will cover foreclosures and cancellation of debt on principal residence.	<b>Visuals:</b> <a href="#">Form 8949</a> , pages 1 and 2  <a href="#">Schedule D</a>  Forms <a href="#">1099-B</a> , <a href="#">1099-DIV</a> , <a href="#">1099-S</a>  <a href="#">Form 1040</a> , page 1 Income section

**Point out** that for 2011, Form 1099-B, Schedule D, and a new Form 8949 are used to report capital gains or losses.

[Form 13614-C](#), Section A, Part III

Pub 4012 (Tab 2), How to Report Capital Gain or Loss from Sales and other Dispositions

**Internet:**

Tax Topics: [Capital Gains and Losses](#)

Reporting capital gain or loss

**Prompt** students to share what they know about reporting capital gains and losses using questions from the topic.

**Direct** students to Pub 4012 (Tab 2), How to Report Capital Gain or Loss from Sales and other Dispositions.

**Review** flowchart in Pub 4012 (Tab 2).

**Ask:**

- What is cost basis?
- What is the holding period? (When did you buy it and when did you sell it?)
- What is sales price?

**Visuals:**

[Form 8949](#), page 1 (short-term transactions), page 2 (long-term transactions)

[Schedule D](#)

[Form 1099-B](#)

Pub 4012 (Tab 2), How to Report Capital Gain or Loss from Sales and other Dispositions

Pub 4012 (Tab 2) [Capital Gain or Loss Transactions Worksheet](#)

**Internet:**

[L&LT Capital Gain or Loss](#), Reporting Capital Gain or Loss

IRS Newsroom, [Reporting Capital Gains](#)

Basis of Stock

**Review** L&LT topic Basis of Stock.

**Ask** students to define basis and adjusted basis.

**Emphasize** that Form 1099-B may not include how much taxpayers paid for the stock; if the Form 1099-B does not provide the basis taxpayers must provide this information.

**Visual:**

[Form 1099-B](#)

[Pub 17](#), Basis of Property chapter

**Internet:**

[L&LT Capital Gain or Loss](#), Basis of Stock

**Remind** volunteers they may provide assistance if taxpayers know the basis and holding period of property that was inherited or received as a gift. Otherwise, refer them to a professional tax preparer.

**Caution** students that if a taxpayer acquired property from a decedent who died in 2010, special rules may apply.

---

Holding period

**Review** L&LT topic Holding Period.

**Ask:** What are the short-term and long-term time periods? **Answer:** 1 year or less is short-term and more than 1 year is long-term.

**Ask:** Why is it important to determine long vs short-term? **Answer:** Short-term gains are taxed at regular income tax rates; long-term are taxed at a lower rate.

**Ask:** When does the holding period begin? **Answer:** The day after the shares were purchased.

**Review** determination of gain or loss on the disposition of mutual fund shares.

**Review** with students holding periods for sales of stock in “blocks.” Blocks of Stock is covered in the section of the lesson Holding Period, Long-term or Short-term.

**Visuals:**

Forms [1099-B](#), [1099-DIV](#), [1099-S](#)

[Schedule D](#)

[Pub 17](#), Sale of Property chapter

[Pub 550](#)

**Internet:**

[L&LT Capital Gain or Loss](#), Holding Period

<p>Proceeds from the sale</p>	<p><b>Review</b> L&amp;LT topic 1099-B Proceeds from the Sale.</p> <p><b>Remind</b> students that for tax year 2011, brokers must report on Form 1099-B:</p> <ul style="list-style-type: none"> <li>• Cost or other basis, unless the securities sold were noncovered securities</li> <li>• Whether the gain or loss is short-term or long-term, unless the securities sold were noncovered securities.</li> </ul> <p><b>Review</b> Form 1099-B for new boxes:</p> <ul style="list-style-type: none"> <li>• Box 1b: Date of acquisition</li> <li>• Box 3: Cost or other basis</li> <li>• Box 5: Wash sale loss disallowed</li> <li>• Box 6: Check if a noncovered security</li> <li>• Box 8: Type of gain or loss</li> </ul> <p><b>Direct</b> students to Pub 4012 (Tab 2) Schedule D – Capital Gain or Loss Transactions Worksheet.</p> <p><b>Remind</b> that TaxWise Capital Gain or Loss Worksheet will determine short or long term gain, calculate gain or loss, calculate tax liability, and capital loss carryovers.</p> <p><b>Remind</b> students to review the taxpayer's Form 1099-B to determine if the sales price is net of commissions and fees. If the net is not shown, then commissions and fees are added to the basis in the stock before entering the amount on the Capital Gain or Loss Transactions Worksheet.</p> <p><b>Verify</b> students understand sample consolidated statement in L&amp;LT, slide 30.</p>	<p><b>Visuals:</b></p> <p><a href="#">Form 1099-B</a></p> <p>Pub 4012 (Tab 2) <a href="#">Schedule D Changes</a></p> <p>Pub 4012 (Tab 2) <a href="#">Schedule D – Capital Gain or Loss Transactions Worksheet</a></p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Proceeds from the Sale, Sample 1099 Consolidated Statement</a></p> <p>FAQs, <a href="#">Mutual Funds (Costs, Distributions, etc.)</a></p> <p>FAQs: <a href="#">Stocks (Options, Splits, Traders)</a></p> <p><b>TaxWise Demo:</b></p> <p>Main Information Screen, link to Schedule D</p> <p>Link to Capital Gains and Loss Transactions worksheet</p>
<p>Form 8949 and Schedule D</p>	<p><b>Review</b> L&amp;LT topic Form 8949 and Schedule D.</p> <p><b>Remind</b> students that for tax year 2011 Form 8949 replaces Schedule D-1 for reporting information from Form 1099-B. Schedule D was revised to allow for entries from the new</p>	<p><b>Visuals:</b></p> <p><a href="#">Form 8949</a>, pages 1 and 2</p> <p><a href="#">Schedule D</a></p> <p><a href="#">Form 1099-DIV</a></p>

---

Form 8949 and changes made to Form 1099-B.

**Point out** that all capital gains and losses are detailed on Form 8949; none are reported directly on Schedule D.

**Review** Pub 4012 (Tab 2), How to Complete Form 8949, Columns (b) and (g).

**Review** the steps to enter gains or losses in the Capital Gain or Loss Transactions Worksheet, which are then transferred to Form 8949 and Schedule D.

**Explain** the three transaction codes, A, B, & C, applicable to column “1099” of the Capital Gains or Loss Transactions Worksheet, and how these same codes will also be used when completing Form 8949 as shown in the flowchart in Pub 4012 (Tab 2).

**Remind** students that the subtotals from each Form 8949 are carried over to Schedule D where gain or loss is calculated in aggregate.

**Review** Pub 4012 (Tab 2), Schedule D pages 1 and 2.

**Point out** that if a taxpayer has both Form 1099-DIV and Form 1099-B, then capital gain distributions are added to Schedule D, Part II, line 13.

**Remind** students that if the source documents (Forms 1099-DIV and 1099-B) are recorded properly in TaxWise, amounts will be reported in the proper places.

**Explain** what data to enter and how to select the correct transaction code (A, B, or C) to enter in “1099” column of the Capital Gains or Loss Transactions Worksheet for each transaction.

[Schedule D Instructions](#), Completing Form 8949 and codes for column b

Pub 4012 (Tab 2) [How to Complete Form 8949, Columns \(f\) and \(g\)](#)

Pub 4012 (Tab 2) Flowchart on How to Report Capital Gains/Losses from Sales and Other Dispositions

Pub 4012 (Tab 2), [Schedule D Page 1](#) and [Page 2](#)

**Internet:**

[L&LT Capital Gain or Loss](#), Schedule D, Parts I and II

**TaxWise Demo:**

From Form 1040 line 13, link to Schedule D (F9)

- Fields on Schedule D link to Capital Gain/Loss Transaction Worksheet
- TaxWise calculates gain/loss and determines whether short- or long-term
- Use Scratch Pad to enter tax withholding



Capital loss carryovers	<p><b>Review</b> L&amp;LT topic Capital Loss Carryovers.</p> <p><b>Ask:</b> When calculating a carryover of capital loss, what is the most a taxpayer can take as a net loss for a single tax year? <b>Answer:</b> \$3,000 (\$1,500 for married taxpayers filing separately).</p> <p><b>Review</b> the capital loss carryover worksheet from Schedule D instructions.</p> <p><b>Optional review:</b> “Ten Important Facts” article from IRS.gov.</p>	<p><b>Visuals:</b></p> <p>Pub 4012 (Tab 2) <a href="#">Schedule D – Capital Gain or Loss Transactions Worksheet</a></p> <p>Schedule D Instructions, <a href="#">Capital Loss and Carryover Worksheet</a></p> <p><a href="#">Pub 17</a>, Chapter 16, Reporting Gains and Losses</p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Capital Loss Carryovers</a></p> <p><a href="#">Ten Important Facts About Capital Gains and Losses</a></p> <p><b>TaxWise Demo:</b></p> <p>Show capital loss carryover using TaxWise</p>
Practice	<p><b>Select</b> a practice exercise for reporting capital gain or loss on line 13.</p> <p><b>Ask</b> students to select the problem based on their certification course of study.</p> <p><b>Verify</b> students have correctly completed the exercise.</p>	<p><a href="#">Publication 4491-W Advanced Comprehensive Problem and Practice Exercises</a></p> <p><a href="#">Publication 4491-W Military and International Comprehensive Problem and Practice Exercises</a></p>
Sale of main home	<p><b>Review</b> L&amp;LT topic Sale of Main Home.</p> <p><b>Remind</b> students to ask taxpayers if they sold any real estate, such as their principal residence or “main home” during the tax year.</p> <p><b>Ask:</b> What is a main home? What must be true in order for a taxpayer to exclude gain from the sale of a home?</p> <p><b>Emphasize</b> that volunteers need to confirm the home is the taxpayer’s main home and meets the ownership and use tests.</p>	<p><b>Visuals:</b></p> <p><a href="#">Form 13614-C</a>, Section A, Part III, line 8</p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Sale of Main Home</a></p> <p>FAQs, <a href="#">Capital Gains, Losses/Sale of Home</a></p>



---

**Ask:** What is the maximum amount a taxpayer may exclude for the sale of their main home?

**Answer:** \$250,000 (\$500,000 for Married Filing Jointly).

**Caution** students that special rules apply to foreclosures and cancellation of debt related to a taxpayer's principal residence. A foreclosure is treated as a sale of the home. This topic is covered in Cancellation of Debt, a specialty course on Link & Learn Taxes.

---

Ownership and use tests

**Review** L&LT topic Ownership and Use Tests.

**Ask:** How long must the taxpayer own and live in the home to meet the ownership and use tests? **Answer:** Own and live in the home for at least two years.

**Remind** students that the ownership and use tests are applied differently for married homeowners.

**Visuals:**

[Form 8949](#), Part II

**Internet:**

[L&LT Capital Gain or Loss](#), Ownership and Use Tests

Tax Tips: [Ownership & Use Tests](#)

Gain on sale of home	<p><b>Review</b> L&amp;LT topic Gain on Sale of Home.</p> <p><b>Remind</b> students that figuring the gain or loss on the sale of a home is based on:</p> <ul style="list-style-type: none"> <li>• Selling price</li> <li>• Amount realized</li> <li>• Basis</li> <li>• Adjusted basis</li> </ul> <p><b>Display</b> worksheet from Pub 523 Taxable Gain on Sale of Home.</p> <p><b>Caution</b> that nonqualified use and what effect this has on whether the gain from the sale or exchange of the home is excludable from income is out of scope.</p> <p><b>Caution</b> students that a loss on the sale of a personal residence is not deductible.</p> <p><b>Caution</b> students to refer taxpayers who are selling property that was inherited in 2010 to a professional tax preparer.</p>	<p><b>Visuals:</b></p> <p><a href="#">Form 1099-S</a></p> <p><a href="#">Form 8949</a></p> <p><a href="#">Schedule D</a></p> <p>Pub 523, <a href="#">Worksheet 1, Adjusted Basis of Home Sold – Illustrated Example 1 for Peter and Betty Clark</a></p> <p>Pub 523, <a href="#">Worksheet 2, Taxable Gain on Sale of Home – Illustrated Example 1 for Peter and Betty Clark</a></p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Gain on Sale of Home</a></p> <p><a href="#">Sale of Residence – Real Estate Tax Tips</a></p> <p><a href="#">Capital Gains, Losses/Sale of Home</a></p>
Reporting gain from the sale of home	<p><b>Review</b> L&amp;LT topic Reporting Gain from Sale of Home.</p> <p><b>Ask:</b> Under what circumstances may a taxpayer receive Form 1099-S?</p> <p><b>Demonstrate</b> how to report a gain and a loss; refer to L&amp;LT.</p> <p><b>Optional activity:</b> Ask students to role-play the sample interview in this topic instead of playing audio.</p>	<p><b>Visuals:</b></p> <p><a href="#">Form 1099-S</a></p> <p><a href="#">Form 8949</a></p> <p><a href="#">Schedule D</a></p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Reporting Gain from Sale of Home</a></p>
5-Year test period suspension	<p><b>Review</b> L&amp;LT topic 5-Year Test Period Suspension.</p>	<p><b>Visuals:</b></p> <p><a href="#">Pub 523</a></p> <p><b>Internet:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, 5-Year test period suspension</a></p>

Practice	<p><b>Select</b> a practice exercise for reporting gain from sale of a home.</p> <p><b>Ask</b> students to select the problem based on their certification course of study.</p> <p><b>Verify</b> students have correctly completed the form worksheets.</p>	<p><a href="#">Publication 4491-W Advanced Comprehensive Problem and Practice Exercises</a></p> <p><a href="#">Publication 4491-W Military and International Comprehensive Problem and Practice Exercises</a></p>
Summary	<b>Review</b> the lesson summary with the class.	<p><b>Visuals:</b></p> <p><a href="#">L&amp;LT Capital Gain or Loss, Summary</a></p> <p>L&amp;LT Capital Gain or Loss: Click Assessments icon to review Summary and Exercises</p>

### References

L&LT	<a href="#">Income – Capital Gain or Loss; Form 1040, Line 13</a>
Form 1040	<a href="#">Form 1040</a> , Line 13
Form 1040 Instructions	<a href="#">Form 1040 Instructions</a>
Form 13614-C	<a href="#">Form 13614-C</a> , Intake/Interview & Quality Review Sheet, Section A, Part III
Form 8949	<a href="#">Form 8949</a> , Sales and Other Dispositions of Capital Assets
Schedule D (Form 1040)	<a href="#">Schedule D</a> , Capital Gains and Losses
Schedule D Instructions	<a href="#">Schedule D Instructions</a>
Form 1099-B	<a href="#">Form 1099-B</a> , Proceeds From Broker and Barter Exchange Transactions
Form 1099-B Instructions	<a href="#">Form 1099-B Instructions</a>
Form 1099-DIV	<a href="#">Form 1099-DIV</a> , Dividends and Distributions; box 2a shows capital gains
Form 1099-S	<a href="#">Form 1099-S</a> , Proceeds from Real Estate Transactions
Capital Loss Carryover Worksheet	From <a href="#">Schedule D Instructions</a>
Pub 17	<a href="#">Pub 17</a> , Part Two, chapters on Basis of Property and Sale of Property
Pub 523	<a href="#">Pub 523</a> , Selling Your Home
Pub 4012	<p>Pub 4012, Volunteer Resource Guide</p> <p>Tab 2, How to Report Capital Gain or Loss from Sales and Other Dispositions</p> <p>Tab 2, <a href="#">Capital Gain or Loss Transactions Worksheet</a></p>

Tab 2, [Schedule D Page 1](#) and [Page 2](#)

Tab 2, [How to Complete Form 8949, Columns \(f\) and \(g\)](#)

Pub 4491-W

[Pub 4491-W](#) – Select a practice exercise based on your course of study.

### Optional

Pub 544

[Pub 544](#), Sales and other Dispositions of Assets

Pub 550

[Pub 550](#), Investment Income and Expenses

Pub 551

[Pub 551](#), Basis of Assets

## Recommended Classroom Activities



Tax Facts



Assessments



Media: Videos  
& Audio



TaxWise  
Tutorial



Job Aids



Practice  
Lab



### Tax Facts: Link & Learn Taxes Income – Capital Gain or Loss; Form 1040, Line 13

Click Tax Facts as a new way to access Link & Learn Taxes Lesson Capital Gain or Loss.



### Assessments – Summary and Exercises

Click Assessments as a new way to access the Summary and Exercises in Link & Learn Taxes Capital Gain or Loss.



### Media: Video & Audio for Lesson

There is no media associated with this lesson.



### TaxWise Tips and Resources for Lesson

TaxWise screens

How/Where to Enter Income

Schedule D – Capital Gains and Losses, Changes

Capital Gain or Loss Transactions Worksheet

Schedule D, pages 1 and 2

How to Complete Form 8949 Columns (b) and (g)

Practice Lab Tutorial

From the Practice Lab, select:

1. 2011 TaxWise IRS training

2. TaxWise Desktop Preparer with VITA/TCE Training menu or the TaxWise Online Preparer with VITA/TCE Training menu
3. Click the Income button, then select Part 2

Taxwise TV

<http://www.taxwisetv.com/presentation.asp>



## Job Aids

### ITA and FAQs for Lesson

#### FAQs

##### Capital Gains, Losses/Sale of Home

<http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses,-Sale-of-Home>

##### Mutual Funds (Costs, Distributions, etc.)

[http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses,-Sale-of-Home/Mutual-Funds-\(Costs,-Distributions,-etc.\)](http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses,-Sale-of-Home/Mutual-Funds-(Costs,-Distributions,-etc.))

##### Stocks (Options, Splits, Traders)

[http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses,-Sale-of-Home/Stocks-\(Options,-Splits,-Traders\)](http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses,-Sale-of-Home/Stocks-(Options,-Splits,-Traders))

#### Tax Trail

##### Capital Gains and Losses

<http://www.irs.gov/taxtopics/tc409.html>

##### Ten Important Facts About Capital Gains and Losses

<http://www.irs.gov/uac/Ten-Important-Facts-About-Capital-Gains-and-Losses>

##### Sale of Residence – Real Estate Tax Tips

<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Sale-of-Residence---Real-Estate-Tax-Tips>

#### References

##### References for L&LT Income – Capital Gain or Loss

<http://apps.irs.gov/app/vita/content/10/references.jsp>



## Practice Lab

Practice Lab

<http://www.voltaxprep.com/>